



CONSTITUTION OF THE NEW ZEALAND TRUFFLE ASSOCIATION INCORPORATED

1. DEFINITIONS

- a) The name of the Association shall be the NEW ZEALAND TRUFFLE ASSOCIATION INCORPORATED (hereinafter called “the Association”)
- b) The term Edible Ectomycorrhizal Mushrooms is hereinafter known as EEMM

2. OFFICE

The registered office of the Association shall be the place declared to be the registered office and registered with the registrar of incorporated societies from time to time.

3. OBJECTS

The objects of the Association shall be:-

- a) To establish, promote, foster, advance, encourage, aid and develop the Truffle and EEMM Farming industry generally and the interests of all persons and companies engaged in such industry, and permit non-Association members to express their views.
- b) To examine and scrutinize all legislation affecting the said industry and to take any lawful steps the Association thinks fit either directly or indirectly to prevent the passing of any legislation which may damage the said industry and to alleviate the results of existing or future legislation that may inflict injury on the said industry.
- c) To purchase, take on, lease or in exchange, hire, or otherwise acquire any real or personal property and any rights, privileges or easements over or in respect of any property which the Association may think desirable and to sell either as a whole or in parts to subdivide, manage, develop, erect buildings on, lease, mortgage, dispose or deal with in any way, all or any part of any property belonging to the Association.
- d) To invest and deal with the moneys of the Association not immediately required in such manner as may from time to time be deemed expedient. To lend and advance money or give credit to any person and to guarantee and give guarantees for the payment of money or the performance of contracts or obligations by any person. To borrow or raise or secure the payment of money in such manner as the Association may think fit and on the security of any real or personal property of the Association.
- e) To aid by donations or any other means approved by the Association, research in any matters or things likely to benefit the Association or its members.
- f) To apply for, promote and obtain any provisional order or act of Parliament, lease, licence, right or authority to enable the Association to carry out its objects and/or for the purposes of obtaining for the Association or its members any additional powers or protection or to be expedient in the interests of the Association or its members.
- g) To affiliate with or become a member of any organisation whether established in New Zealand or elsewhere that is considered to be in the interest of the Association.
- h) To do all such lawful acts and things as are incidental or conducive to the attainment of the above-mentioned objects in whole or in part, and which the Executive considers to be beneficial to its members.

- i) To ensure, as a shareholder in Southern Truffles NZ Ltd (STNZL) that STNZL will meet its responsibilities as a Recognised Product Group, including maintenance and regular review of the Export Marketing Strategy, and setting of levies as appropriate and by any lawful means including, but not limited to, any commodity levy and/or contract for services delivered by STNZL. The word "levy" is to be construed in the widest terms possible to include fees, grants and other means of remuneration. STNZL will allow and encourage non Association members in the export marketing process and permit them to express their views.

4. MEMBERSHIP

- a) The Association shall consist of members admitted to membership following payment of the annual membership fee set by the Association from time to time and having signed the declaration that the member shall abide by and obey the Rules of the Association. If the applicant is a company or other body corporate, the declaration shall be made by an officer of the company or other body corporate, having duly declared that officer's authority to make such declaration. If the Applicant is a Partnership recognised by the Association, each Partner shall join in the Declaration.
- b) There shall be four classes of membership as follows:
 - i) **Full membership** – New Zealand resident truffle and EEMM growers, distributors, exporters, nurserymen or scientists actively engaged in the business of truffle farming, sale and distribution, export, production of truffle and EEMM infected plants or research on truffles and EEMM. The determination of whether an applicant is so engaged in such business being absolutely within the discretion of the Executive Committee of the Association.
 - ii) **Associate membership** – being overseas persons interested in New Zealand truffles and EEMM and all other persons **interested** in New Zealand truffles and EEMM. The determination of the interest in NZ truffle being absolutely within the discretion of the Executive Committee of the Association. Associate members shall not have the right to vote at any AGM nor to have access to confidential research material conducted on behalf of the association except by the discretion of the Executive.
 - iii) **Complimentary membership** - may be granted to any person who in the opinion of the Executive Committee is considered to be **sufficiently** involved in the science or practice of the truffle or EEMM farming industry to the extent that such membership would be mutually beneficial to the individual and the Association. A person granted complimentary membership shall have the same privileges as associate membership. Such membership shall be renewable annually at the sole discretion of the Executive Committee.
 - iv) **Life membership** - may be granted to a person who in the opinion of the Executive Committee has made a unique and **outstanding** contribution to the advancement of the truffle or EEMM industry in New Zealand. A life member shall have the same powers and privileges of membership as full members, including the right to hold office or vote.
- c) Application for membership may be considered by the Executive and each applicant shall be notified whether or not its application has been accepted. Any application for membership may be declined without reason and fee paid shall be refunded.
- d) Membership shall be upon an annual basis and a member shall cease to be a member of the Association if that member's annual membership fee is not paid within three (3) months of the commencement of the financial year for which it is due and payable.

5. ENTRANCE FEE

Membership to the Association will be granted only once the initial subscription has been paid.

6. SUBSCRIPTIONS

- a) The annual subscription for membership of the Association shall be such sum as may be decided at a General Meeting of the Association.
- b) Should the funds in any one year be insufficient for the purposes of the Association, the Executive shall have power to make such levies as it thinks fit, but the total amount of levies made in any one year shall not exceed the amount of the annual subscriptions unless otherwise determined at any general meeting.
- c) Subject to Rule 16 (b) all subscriptions shall become payable on the 1st day of May each year.

7. EXECUTIVE

- a) The management of the Association shall be vested in an Executive consisting of a President, and Vice President with up to five other members (but at least three other members) including, if agreeable, the Immediate Past President.
- b) The Executive shall be elected by a majority of the members present at the Annual General Meeting of the Association. The first President and Secretary shall continue in office for a period of two years and other members of the Executive for a period of one year. The term of office for all members of the Executive shall then become two years. The Executive shall continue in office until the expiration of their term in office or unless previously removed by a resolution of the majority of the members present at any meeting called for that purpose. Nomination for those members of the Executive whose term in office is to expire shall be received at the Annual General Meeting, at which election is to take place.
- c) The Association may agree at an Annual General Meeting by a 75% majority of the members present or by proxy and entitled to vote, to refer that year's election of Executive members to a Special General Meeting to be held within 2 months of that AGM.
- d) **Casual Vacancies:** In case the President or any other members of the Executive shall die, resign, or be removed prior to such annual meeting, the Executive shall appoint a person to fill the vacancy. Any person appointed under the provisions of this sub-clause shall retain office only until the next Annual General Meeting.
- e) No person shall hold the position of President for more than six successive years.
- f) The Executive shall be representative of the whole New Zealand truffle and EEMM farming industry in all its branches including the Truffle and EEMM Farmers, Truffle and EEMM Exporters and other interested parties and the basis of representation may be fixed at the Annual General Meeting.
- g) Any member of the Executive may be granted leave of absence during their absence or an extended illness, and such member may appoint a deputy who must be a member, or an officer, employee or partner of a member, of the Association to attend meetings of the Executive. Such deputy shall assume all the rights and obligations of the absent member, other than the office of President.
- h) The members of the Executive may be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Executive and when in any other manner whatsoever/ or wheresoever engaged on the business or affairs of Association. The Executive may award special remuneration out of the funds of the Association by a fixed sum to any member of the Association rendering any special service for any of the purposes of or in the interest of the Association. Any such remuneration paid shall be reasonable and relative to that which would be paid in an arms length transaction, being open market value)
- i) The Executive may co-opt or contract people with skills or expertise not represented by members of the Executive that are necessary to deliver the objects of the Association and/or projects agreed by the membership.
- j) Nominations for the Executive shall be on a form provided by the Association for this purpose, an example of which attached to these articles, and shall reach the Secretary not later than 5 working days prior to an Annual General Meeting (or Special General Meeting if the election is so referred under clause 7(c)). In the event of no nominations or insufficient nominations being received, the members may elect without prior nomination, at the Annual General Meeting (or Special General Meeting if the election is so referred under clause 7(c)), some member or members to fill the position or positions in respect of which no nominations have been received.

8. SECRETARY AND TREASURER

- a) A Secretary and Treasurer shall be elected by the members of the Annual General Meeting from amongst the Executive, when required, and if desired shall fix any duties and terms of office additional to those set out in these rules.
- b) The Secretary shall in addition to any other duties to be performed in that role under these Rules or the terms of their appointment:
 - i) Conduct the correspondence of the Association and of the Executive.
 - ii) Keep a register of the full names and addresses of members of the Association.

- iii) Make provision for the safe custody of the seal of the Association and of its books, records, documents and personal property.
 - iv) Keep proper minutes of all meetings of the Executive and of the Association.
 - v) Prepare the Annual Report of the Executive in collaboration with the President and present same to it for approval.
- c) The Treasurer shall in addition to any other duties to be performed in that role under these Rules or the terms of their appointment:
- i) Receive all moneys, cheques, bills and negotiable instruments payable to the Association and forthwith upon receipt lodge the same to the credit of the Association's account with such bank as the Association shall from time to time appoint or otherwise dispose thereof as directed from time to time by the Executive.
 - ii) Keep in such form as the Executive prescribes a correct account of all moneys received and payments made by the Association and of its financial affairs and shall prepare the statement of income and expenditure and the balance sheet required to be submitted by the Executive at the annual meeting and obtain the auditor's certificate required in respect thereof.
 - iii) All payments by or on behalf of the Association shall be completed by an authorised signatory as approved in the Associations approved bank service provider. All payments shall be approved by an additional Executive Member prior to payment. Records of approval shall be kept.

9. MANAGER

The Executive may appoint a Manager whose terms of appointment are to be agreed at AGM, and whose duties may include those of Secretary and Treasurer as described in clause 8. Upon appointment of a Manager under this clause, the positions of Secretary and Treasurer will no longer be required, and references in the constitution to Secretary and Treasurer will be as if they are to Manager.

10. POWERS OF EXECUTIVE

The affairs of the Association including the management of its property and the investment of its funds shall be managed by the Executive who may exercise all such powers of the Association as are not by the Incorporated Societies Act, 1908 or by these rules required to be exercised by the Association in general meeting but no regulation made by the Association in general meeting shall invalidate any prior act of the Executive which would have been valid if that regulation had not been passed.

11. MEETINGS OF ASSOCIATION

- a) The Annual General Meeting shall be held on a date to be determined by the Executive but within six months after the end of the financial year. It shall be held at such places as the Executive shall decide. The agenda for such meetings shall include: apologies, President's report, minutes of the previous general meeting, matters arising, correspondence, membership and setting of subscriptions, finance, other business, and the date of the next meeting.
- b) Special General Meetings of the Association shall be called by the Executive or if requested in writing by 10% or more of financial members but not less than 5 members.
- c) The Executive shall decide whether an Annual General Meeting or Special General Meeting of the Association be held
 - i) in person at the time and place appointed for the meeting; or
 - ii) by audio, audio and visual, or electronic communication; or
 - iii) by a combination of both of the methods described in paragraphs c(i) and c(ii) above.
- d) Notice of not less than one month (exclusive of the day of posting and of the day of the meeting) shall be given of any Annual General Meeting and Special General Meeting and the notice shall specify the nature of the business to be transacted.
- e) Minutes of all General Meetings shall be distributed to any members of the Association on request.
- f) The President shall be the Chairman of all general meetings but in their absence the Vice-President shall be the Chairman and in the absence of both the chair shall be taken by any member duly elected by those present.

- g) A member whose subscription has not been paid for the preceding financial year shall not be eligible to be present or be represented at any general meetings, or to vote thereat.
- h) At any Special General Meeting no business shall be conducted save that which has been specified in the notice calling the meeting unless with the consent of two thirds of those present entitled to vote.
- i) Any business discussed or decided at any meeting either of the Association or of any Committee thereof or of the Executive shall be treated as strictly confidential if so decided by a resolution of that meeting.
- j) Five members personally present shall constitute a quorum at a general meeting.
- k) Prospective members may attend meetings at the discretion of the President.

12. VOTING AT GENERAL MEETINGS

- a) Full members shall have 1 vote per member (associate members shall not have a vote).
- b) All matters shall be determined in accordance with the simple majority of votes cast.
- c) The Chairman shall have a casting as well as a deliberative vote.
- d) Voting at all general meetings shall be by a show of hands in person or by audio, audio visual or electronic means, or by poll or a combination of these. Poll votes may also be cast in person, or by audio, audio visual, or electronic means, or by proxy using any of these means, or a combination of these. The means of voting shall be decided by the Executive.
- e) Proxies shall be permitted, but the appointment of a proxy in writing must be in the hands of the Chairman of the meeting or the Secretary, 48 hours prior to the commencement of the meeting. No person who is not a financial member or a nominated representative of a financial member shall be entitled to be a proxy.
- f) Notwithstanding Rule 12(a) hereof, no one individual, partnership, company or other entity shall ~~have exercise~~ more than 20% of the voting rights or ten votes (whichever is the lesser). For the avoidance of doubt, the limitation on the exercise of voting rights and votes referred to in this clause does not apply to proxy votes.

13. MEETINGS OF EXECUTIVE

- a) Meetings of the Executive shall be called by the Secretary as may be necessary for the proper conduct of the affairs of the Association. A meeting shall be called by the Secretary when so required by the President or any two members of the Executive.
- b) Where practicable, at least fourteen days notice shall be given of all meetings of the Executive.
- c) The President shall be the Chairman of all meetings of the Executive but in their absence the Vice President shall be the Chairman and in the absence of both a Chairman shall be appointed by the members of the Executive present at such meeting.
- d) Each member of the Executive at a meeting of the Executive shall have one vote.
- e) The Chairman shall have a casting as well as a deliberative vote.
- f) Minutes of all Executive meetings shall be distributed to all members of the Executive. The Executive shall make "best endeavours" to communicate all Executive decisions to members of the Association, in such manner as from time to time might be appropriate; provided always the Executive may withhold or delay communication on any matter considered by the Executive as being too sensitive for publication (whether from commercial aspect or because of personal circumstances). Any matter considered too sensitive for publication shall be noted in the Minutes to that effect.
- g) Meetings of the Executive may be conducted by teleconference provided that proper minutes are kept.

14. FINANCIAL YEAR

The financial year of the Association shall commence on the 1st day of April in each year and end on the 31st day of March in the succeeding year.

15. COMMON SEAL

The Secretary shall arrange for the safe custody of the Seal of the Association and the same shall only be used by resolution of the Executive and any document to which the seal shall be affixed shall be signed by two members of the Executive or by one member of the Executive and the Secretary.

16. CESSATION OF MEMBERSHIP

Membership of the Association may be terminated by resignation or cancellation in manner hereafter provided.

- a) Any member may give notice in writing to the Secretary of their desire to resign and shall cease to be a member upon receipt of such notice by the Secretary, but with discretionary power of the Executive to reinstate membership if so agreed with the member.
- b) The Executive Committee may in any of the following cases by ordinary resolution cancel the membership of a member whether an officer of the Association or not:
 - i) Where such member has failed for a period of three calendar months after the same became due to pay the whole or any part of any subscription, levy or moneys payable by that member pursuant to these rules.
 - ii) Where such member has become bankrupt or insolvent or gone into liquidation other than for the purpose of reconstruction as the case may be or entered into a composition with their creditors.
- c) If after hearing in person or representations by Counsel or after receiving a written explanation from a member, three-quarters of the Executive at a meeting called for such purpose determine that that member is not a fit and proper person to be a member of the Association or has been guilty of a breach of any of the rules of the Association, or of any conduct unworthy of a member of which is or might be injurious or prejudicial to the interests of the Association, the Executive may by resolution cancel their membership.
- d) If any member shall have ceased, in the opinion of the Executive, to carry on the business of a Truffle or EEMM Farmer, or a Truffle or EEMM Exporter (as the case may be) the Executive may by resolution cancel their membership or reduce the membership to Associate member status.
- e) Notice of cancellation (by one of the means hereby provided) of membership shall forthwith be given by the Secretary to the member affected but notwithstanding the failure to give such notice, membership shall cease as from the date of the resolution cancelling the same and such member shall thenceforth cease to have any interest in or claim upon the funds or property of the Association. Cancellation of membership shall not thereby relieve any member from liability for subscriptions, levies or other moneys due by the member prior to such cancellation except insofar as such liability may be reduced or extinguished by resolution of the Executive.
- f) Any member having membership cancelled under this rule may appeal to the next Annual General Meeting to review the same provided such member has given written notice to the Secretary thereof within one month of their expulsion. The Annual General Meeting may by resolution passed by three fourths of the members present and voting reinstate such member.

17. ASSURANCE ON THE FINANCIAL STATEMENTS

- a) At least once every year, the accounts of the Association shall be examined and the correctness of the accounts including the Statement of Financial Position ascertained. The Association shall appoint an accountant to review the annual financial statements of the Association ("the Reviewer"). The Reviewer may be appointed at each Annual General meeting but otherwise by the Executive.
- b) The Reviewer shall conduct an examination with the objective of providing a report that nothing has come to the Reviewer's attention to cause the Reviewer to believe that the financial information is not presented in accordance with the Association's accounting policies. The Reviewer must be a suitably qualified person, preferably a member of the New Zealand Institute of Chartered Accountants, and must not be a member of the Committee, or an employee of the Association. If the Association appoints a Reviewer who is unable to act for some reason, the Committee shall appoint another Reviewer as a replacement.
- c) The Committee is responsible for providing the Reviewer with:
 - i) Access to all information of which the Committee is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters

- ii) Additional information that the reviewer may request from the Committee for the purpose of the review; and
- iii) Reasonable access to persons within the Association from whom the reviewer determines it necessary to obtain evidence.

18. NOTICES

The Secretary shall enter in the register of members the postal and email address of each member. The addresses to be so entered shall be that furnished by the member on application for membership or the last address which the member has in writing required the Secretary to enter.

The last address of a member entered in the register in pursuance of this rule shall be known as their registered address.

Notices served by post shall be deemed to be received on the day on which such notice if posted would be received in the normal course of posting.

Notices transmitted electronically to the email address shall be deemed to be received on the same working day. If transmitted electronically on a day that is not a working day, or after 5 pm on a working day, notices shall be deemed to be received on the first subsequent working day.

The preference of the Association shall be to send notices by email.

19. ALTERATION OF RULES

The Association may alter all or any of these rules or make new rules to the exclusion of or in addition to all or any of these rules by a resolution of the members passed at a duly constituted general meeting of the Association by a majority of not less than three-quarters of the members present or by proxy and entitled to vote thereat PROVIDED that the notice convening such meeting states that alteration of the rules will be considered thereat and indicates the general nature of the proposed alteration. And provided further that the said notice is given to each member in writing not less than fourteen clear days before the date of the meeting.

20. PROPERTY

All real or personal property of the Association shall be held in the name and title of the Association.

21. BY-LAWS

The Association may make By-Laws for its good Government not inconsistent with these rules.

22. WINDING UP

- a) In the event of the Association being wound up, its surplus funds shall be dealt with as the Association determines in general meeting, by transfer to some other approved non-profit organisation having objects similar to the objects of the NZ Truffle Association, or to some other approved charitable organisation or purpose within New Zealand.”
- b) No addition to or alteration of the personal benefit clause or the winding up clause shall be approved without the approval of the Inland Revenue Department. The provisions and effect of this clause shall not be removed from this document and shall be included and implied into any document replacing this document.”

23. CONSTITUTION INTERPRETATION

- a) In the event of any dispute, doubt, ambiguity or difference arising as to the interpretation or application of these Rules or any of them, the decision of the Executive in respect of such dispute, doubt, ambiguity or difference shall be final and binding.
- b) A substantial compliance with these Rules, whether as to form, time, number or as to any other matter, shall, in all cases be good and sufficient, and no regulation, resolution, decision, election, appointment, notice or other matter or thing shall be invalidated by reason only of a failure to comply exactly with these Rules.
- c) In the event of any matter or circumstance arising in or about the conduct of the Association’s activities and affairs and/or the carrying out of its objects or any of them, and there being no provision or provisions in these Rules dealing effectively with such matter or circumstance, the

Executive may in its discretion (not controllable in any Court of Law or equity) deal with and dispose of such matter or circumstances in such manner as it thinks fit.

24. EFFECTIVE COMMENCEMENT OF AMENDING RULES

These rules shall be taken to have come into effect on the day of incorporation of the Association excepting for Rule 12(f) hereby amended which shall come into effect on the day it is approved by the Association at the Special General Meeting, viz 3.6.